HONORABLE RONALD B. LEIGHTON

UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON AT TACOMA

FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE and TIG INSURANCE COMPANY,

Case No. C04-5052 RBL

Plaintiffs,

v.

ORDER

PUBLIC UTILITY DISTRICT NO. 1 of COWLITZ COUNTY, WASHINGTON, a Washington municipal corporation,

Defendant.

The Court continues to believe that the evidence supports its conclusion that the District owns 100% of the Swift #2 facility and insured 100% of the potential power loss which might occur as a result of an insured event. The fact that the District combines its power generation with Pacific Corp. and that its portion of the combined power output is 26% does not mean that the District has an insurable interest in only 26% of the damaged facility or the power produced by that facility. The District owned 100% of Swift #2, contributed 100% of the power generated from Swift #2 and insured 100% of that power against loss from an insurable event. The District is entitled to reimbursement of that total loss up to applicable sub-limits.

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UNITED STATES DISTRICT JUDGE

Plaintiffs' motion [Dkt. #223] is **DENIED.**DATED this 27th day of February, 2006.

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